

193A—11.2(542C) Applicability.

11.2(1) The rules of professional conduct which follow rest upon the premises that the reliance of the public in general and of the business community in particular on sound financial reporting, and on the implication of professional competence which inheres in the authorized use of a legally restricted title relating to the practice of public accountancy, imposes on persons engaged in such practice certain obligations both to their clients and to the public. These obligations, which the rules of professional conduct are intended to enforce where necessary, include the obligation to maintain independence of thought and action, to strive continuously to improve one's professional skills, to observe where applicable generally accepted accounting principles and generally accepted auditing standards, to promote sound and informative financial reporting, to hold the affairs of clients in confidence, and to maintain high standards of personal conduct in all matters affecting one's fitness to practice public accountancy.

11.2(2) Acceptance of a certificate as a CPA or a license as an AP or the acceptance of a permit to engage in the practice of public accountancy involves acceptance by the CPA or AP of the obligations set forth in the preceding rule and accordingly a duty to abide by the rules of professional conduct.

11.2(3) The rules of professional conduct are intended to have application to all kinds of professional services performed in the practice of public accountancy, including tax and management advisory services, and to apply as well to all CPAs and APs whether or not engaged in the practice of public accountancy, except where the wording of a rule clearly indicates that the applicability is more limited.

11.2(4) A CPA or AP who is engaged in the practice of public accountancy outside the United States will not be subject to discipline by the board for departing, with respect to such foreign practice, from any of the rules, so long as their conduct is in accordance with the standards of professional conduct applicable to the practice of public accountancy in the country in which the CPA or AP is practicing. However, even in such a case, if a CPA's or AP's name is associated with financial statements in such manner as to imply that the CPA or AP is acting as an independent public accountant and under circumstances that would entitle the reader to assume that United States practices are followed, the CPA or AP will be expected to comply with subrules 11.4(2) and 11.4(3).

11.2(5) In the interpretation and enforcement of the rules of professional conduct, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings and opinions issued by other state boards of accountancy, and by appropriately authorized committees on ethics of professional organizations.

11.2(6) A CPA or AP may be held responsible for compliance with the rules of professional conduct by all persons associated with the accountant in the practice of public accounting who are either under the accountant's supervision or are the accountant's partners or shareholders in the practice.